

The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 04-70

September 20, 2004

Petition of Boston Edison Company and Commonwealth Electric Company d/b/a NSTAR Electric for Approvals Relating to the Issuance of Rate Reduction Bonds Pursuant to G.L. c. 164, § 1H.

ORDER OF NOTICE

The Companies, Boston Edison Company and Commonwealth Electric Company, shall, no later than fourteen (14) days prior to Thursday, October 7, 2004, publish the attached Notice of Public Hearing and Procedural Conference in The Boston Globe or the Boston Herald. The Companies shall also serve a copy of the notice on the Chairmen of the Board of Selectmen, Mayors, Town Clerks and City Clerks of the towns and cities in the Companies' service areas, post a copy of the notice in each town or city hall in the Companies' service areas until the comment period has expired, and provide actual notice to any person who has filed a request for notice with the Companies. The Companies shall serve a copy of the notice on the distribution lists in Boston Edison Company, D.T.E. 03-117, Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 03-118, Boston Edison Company, D.P.U./D.T.E. 96-23, and Cambridge Electric Light Company/Canal Electric Company/Commonwealth Electric Company, D.P.U./D.T.E. 97-111, and make return of service and proof of publication at the public hearing.

By Order of the Department,

/s/

Mary L. Cottrell, Secretary



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NOTICE OF PUBLIC HEARING AND PROCEDURAL CONFERENCE

On August 31, 2004, pursuant to G.L. c. 164, §§ 1G and 1H, and the Boston Edison Company ("Boston Edison") Restructuring Settlement Agreement and Commonwealth Electric Company's ("Commonwealth") restructuring plan, Boston Edison and Commonwealth ("Companies"), filed with the Department of Telecommunications and Energy ("Department") for a financing order approving the issuance of rate reduction bonds ("RRBs"). The Companies have requested that the financing order provide for: (a) the securitization through RRBs of reimbursable transition costs amounts of approximately \$675 million, consisting of (i) the payments associated with the termination of their obligations under certain purchase power agreements between the Companies and MASSPOWER and between Commonwealth and Dartmouth Power Associates, L.P., (ii) the recovery of transition costs deferred by Commonwealth pursuant to its restructuring plan, (iii) transaction costs arising in connection with the issuance of the RRBs, and (iv) the provision of any required credit enhancement; (b) the establishment of a portion of the Companies' transition or access charges as transition property from which the RRBs to be issued will be repaid; (c) the organization and capitalization of a special purpose entity by each of the Companies to which the transition property of each of the Companies will be sold; (d) the servicing of the transition or access charges by each of Boston Edison and Commonwealth; and (e) the granting of exemptions to the Companies to the competitive bid and par-value debt-issuance requirements of G.L. c. 164.

The Companies state that they estimate the initial principal amount of the RRBs to be issued will be approximately \$675 million, subject to adjustment based on several factors relating to the timing of the closing of the RRB transaction. The Companies state that the RRB transaction will result in savings for the Companies' customers by reducing the net present value of the future transition charge payments made by customers by \$130 million.

The Department will conduct a public hearing to receive comments on the Companies' filing at **10:00 a.m. on Thursday, October 7, 2004**, at the Department's offices -- One South Station, Boston, Massachusetts, 02110. Following the public hearing, the Department will conduct a procedural conference.

Any person who wishes to submit written comments may do so by filing an original and five (5) copies of such comments with: Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, no later than the close of business **Monday, October 4, 2004**.

Any person seeking to intervene in this investigation must file an original and five (5) copies of a written petition for leave to intervene or to participate in this proceeding no later than the close of business (5:00 p.m.) **Monday, October 4, 2004**, with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department -- not mailing -- constitutes filing and determines whether a petition is timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver. To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

In addition to paper filings with the Secretary of the Department, all written pleadings or comments must be submitted to the Department in electronic format by e-mail attachment to dte.efiling@state.ma.us and joan.evans@state.ma.us. The text of the e-mail must specify: (1) an easily identifiable case caption; (2) docket number (D.T.E. 04-70); (3) name of the person or company submitting the filing; and (4) a brief descriptive title or document (e.g., comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Word Perfect (naming the document with a ".wpd" suffix) or in Microsoft Word, (naming the document with a ".doc" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, www.state.ma.us/dpu/.

A copy of the Companies' filing is on file at the Department's offices, One South Station, Boston, Massachusetts for public view during business hours. Copies also are on file for public view at NSTAR Electric, 800 Boylston Street, Boston, Massachusetts. Any person desiring further information regarding the Companies' filing should contact Robert N. Werlin, Esq., at (617) 951-1400. Any person desiring further information regarding this notice should contact Joan Foster Evans, Hearing Officer, Department of Telecommunications and Energy, at (617) 305-3613.